



Good Jobs, Bad Jobs: The Rise of Polarized and Precarious Employment Systems in the United States, 1970s to 2000s by Arne L. Kalleberg

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wealth. Consequently, Chang argues, the mechanisms of the wealth escalator remain hidden from view, so much so that most people don't know whether or not they are riding on the escalator.

Besides women's lack of access to the wealth escalator, Chang argues that women are held back by the debt anchor as well. She shows that women are more likely than men to have credit card debt and consumer debt and to pay higher interest rates on those debts. They are also more likely than men to be victims of predatory lending practices such as subprime mortgages. Women's higher debt load impedes them from getting ahead.

Motherhood also helps to explain the gender wealth gap. Chang argues that mothers, whether single or married, pay what she calls a "motherhood wealth tax," comprised of the motherhood wage penalty, limited access to the wealth escalator due to time out of the workforce for caregiving, and, for single mothers, the high cost of being the sole custodial parent.

At the end of the book, Chang proposes thoughtful policy prescriptions that address the various levels of her analysis, from legal and institutional changes like paid family-leave policies and improving women's access to low-interest loans, to cultural changes like valuing care as a social good and rewarding it with policies like caretaker resource accounts (small grants given to caretakers to be used for education or retirement) that put caretakers on the wealth escalator. In addition to the scholarly contribution *Shortchanged* makes, the book is commendable for its readability. Other scholars would be wise to adopt its style—straightforward prose, memorable catchphrases, brevity.

Despite the newfound interest in wealth, our understanding of the processes and mechanisms that create wealth inequality is not yet fully developed. Accordingly, Chang's illumination of the wealth escalator, the debt anchor, and the motherhood wealth tax constitutes a great step forward. To be sure, her thorough exploration of the women's wealth gap forever solidifies the need to look at wealth differences between men and women in order to understand gender inequality.

Thanks to current events like the Great Recession and the Occupy movement, Chang's account arrives on the scene at a time of heightened concern about wealth. Given its compelling and timely subject matter, accessible style, and theoretical insights, this book is ideal for anyone interested in gaining a deeper understanding of wealth inequality.

Good Jobs, Bad Jobs: The Rise of Polarized and Precarious Employment Systems in the United States, 1970s to 2000s. By Arne L. Kalleberg. New York: Russell Sage Foundation, 2011. Pp. xvi+292. \$37.50.

David B. Grusky
Stanford University

Do we need another book that tells us that there are two big social classes? If Arne Kalleberg is writing that book, then we most certainly do. Admit-

tedly, there's no shortage of two-class formulations; indeed, they have an unusually long history that encompasses, for example, the standard Marxian model and its many refurbishments, the dual economy formulations of the 1970s and 1980s, and the now-fashionable juxtaposition between the "one percent" and all others. Why, then, is Arne Kalleberg's latest book, *Good Jobs, Bad Jobs*, such a welcome addition to an already crowded field? The simple answer: it's founded on compelling new trend data that gives the narrative real bite.

The starting point for *Good Jobs, Bad Jobs* is the empirical claim that U.S. employment is taking an increasingly polarized form, with workers either in (a) "good jobs" with high earnings, meaningful opportunities for upward mobility, generous fringe benefits, substantial autonomy and control, and considerable job security, or (b) "bad jobs" distinguished, obversely, by low wages, few opportunities to get ahead, poor fringe benefits (if any at all), and a high risk of being laid off, fired, or furloughed. Because the takeoff in earnings inequality is well known, Kalleberg's main contribution doesn't, of course, lie in exposing that trend, although he does provide an especially cogent accounting of it. The real contribution of *Good Jobs, Bad Jobs* lies in showing that economic and noneconomic forms of polarization are coming together, with the implication that those at the top are not just securing an ever-larger share of national earnings but also an ever-larger share of the available autonomy, authority, and other forms of control over the work situation. If once there was a substantial band of middle-class jobs with middling amounts of autonomy or authority, now that middle class has withered away and U.S. workers either have good jobs with much control over the work situation or bad jobs with virtually none. At the same time, Kalleberg shows that the mean level of many noneconomic rewards has increased over time, although job security has decreased and is accordingly an important exception to this overall upgrading trend. These claims and a host of related ones are ably presented with trend data from the usual national labor market surveys, the General Social Survey, the Quality of Employment Survey, and much more.

If the trend data revealing a polarization in job quality are novel and important, Kalleberg's account of the sources of polarization relies quite conventionally on the "neoliberal revolution" and its deregulative turn. By that standard account, a main reason that a broad swath of middle-class jobs emerged in the postwar period was that (a) unions had the power to successfully advocate for decent working conditions, and (b) government regulations established minimum acceptable standards even for jobs without such a union defense. With the neoliberal revolution, both forms of protection were gradually undermined and employers increasingly opted for low-road jobs with inferior working conditions. The low-road path was especially attractive, Kalleberg further argues, because the influx of immigrants provided a ready and willing supply of unskilled labor. This diagnosis leads straightforwardly to the equally standard prescription that decent working conditions can be restored by strengthening unions and

their capacity to advocate for workers and by building a better safety net that shelters and retrains workers when they are expelled from their low-road jobs. Although this causal narrative and the associated prescription may not be especially novel, a causal account should of course be assessed not by its novelty but by its conformity to truth or fact. And it would be hard to fault Kalleberg by that test.

If a critique were nonetheless insisted upon, a minor point of vulnerability is Kalleberg's assumption that the current travails of the working class are largely due to the withering away of regulative institutions that once protected it. Although this account correctly appreciates that many proworker regulative institutions have been weakened (e.g., unions), it fails to recognize that what's left is not some stripped-down competitive economy but rather a host of antiworker regulative institutions that now operate without any countervailing force. The most important of these is that complex of institutions that prevents workers born into poor families from freely pursuing higher education (e.g., neighborhood schooling). The loss of middle-class jobs should have motivated workers to opt for schooling as that ever-more important exit ticket; yet they're largely prevented from doing so because their families haven't the necessary college fund and, in any event, their neighborhood schools don't prepare them well for college. These simple bottlenecks have produced a reserve army of labor that, by virtue of its extraordinary mass, lacks any leverage to bargain for reasonable wages and working conditions. By implication, we shouldn't simply work to ramp up unions or expand the safety net (important though those reforms are), but additionally we can and should reduce the size of the reserve army by defusing those antiworker "regulative institutions" that prevent free and fair access to credentials. The best way, in other words, of increasing the bargaining power of uncredentialed workers is to reduce their numbers, an approach that Kalleberg inexplicably glosses over. The Kalleberg solution is rather like attempting to improve the status of women by relying exclusively on unions and "comparable worth" regulation to upgrade the conditions within female-dominated occupations. To be sure, that approach has long had its supporters and might reasonably form *part* of a reform effort, but it's necessarily a path of high resistance and is best supplemented by further working to eliminate the institutional barriers that preclude women from entering male-dominated occupations in the first place. We should insist on precisely the analogous right-to-entry for children born into working-class neighborhoods.

This comment is, of course, all by way of minor obligatory critique and shouldn't obscure Kalleberg's masterful contribution. We have for too long lacked an authentically sociological analysis of the rise of a polarized economy. Although it's been 40 years in the waiting, we finally now have an analysis that does the discipline proud.

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Arne L. Kalleberg: Good Jobs, Bad Jobs: The Rise of Polarized and Precarious Employment Systems in the United States, 1970s to 2000s

James N. Baron

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Book Reviews

Three Books on Jobs in America

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Arne L. Kalleberg: *Good Jobs, Bad Jobs: The Rise of Polarized and Precarious Employment Systems in the United States, 1970s to 2000s*. New York: Russell Sage Foundation, 2011. 292 pp. \$37.50, paper.

In *Good Jobs, Bad Jobs*, Arne Kalleberg documents the increasingly polarized and precarious employment situations of workers in the United States over the last four decades. These trends should be at least somewhat familiar to anyone who follows the news or has ever heard of “Occupy Wall Street.” But *Good Jobs, Bad Jobs* provides a detailed, thorough, nuanced, and richly illuminating portrait of how access to jobs and valued job rewards has changed since the 1970s and who has gained and lost most from these changes.

Kalleberg begins by arguing in chapter 1 for a broad, multidimensional view of job quality, incorporating not only material benefits, such as pay, career opportunities, benefits, and security, but also psychic and intangible facets of work, such as autonomy, control, flexibility, and work-family balance. In the next two chapters, he provides a brief overview of developments on the demand side and supply side that have transformed employment relationships in the U.S. over the last four decades, thereby rendering jobs more precarious and labor market outcomes more unequal. Among the demand-side forces he emphasizes are declining governmental labor market regulation and oversight; the ascendance of neo-liberalism and the transcendence of individualistic culture over an ethos of collective responsibility; diminished union power; the “financialization” of the economy and the pressures it has created for management to focus on short-run profits, reduce labor costs, and avoid investing in human resources; globalization and the explosion of outsourcing and off-shoring; waves of restructuring and downsizing; expansion of the service sector and knowledge work; and technological innovations that have boosted productivity. On the supply side, Kalleberg calls attention to rapid growth in the number of women, people of color, immigrants, and older workers employed; the rise of two-earner households and growing concern about work-family balance; declining access to key benefits, such as health insurance and pensions; and steady increases in educational attainment, which have made the lack of schooling an increasingly important source of polarization and precariousness in employment outcomes.

The meat and potatoes of *Good Jobs, Bad Jobs* are found in chapters 4 through 9. Drawing on diverse and comprehensive data sets characterizing the U.S. labor market since the 1970s, Kalleberg rigorously documents temporal declines and/or widening gaps between the haves and have-nots on just about every dimension of job quality that matters: having a job; access to internal labor markets and “high road” human resource practices; job

security; compensation; benefits; skill levels; autonomy and control over work; and temporal dimensions of jobs—hours, work intensity, and schedule control.

The evidence that employment situations have become more precarious and labor market outcomes more polarized is powerful and incontrovertible. Less clear cut, at least to me, is (1) how to interpret these developments, (2) what has caused them, and (3) what to do about them. For instance, one of the most interesting findings in *Good Jobs, Bad Jobs* is the *absence* of any straightforward trend in job satisfaction (chap. 9). There is no evidence that the polarization of employment outcomes Kalleberg documents has occasioned a widening gap in job satisfaction. Much of the “polarization” Kalleberg documents reflects the widening gap between most workers and a very privileged few at the upper tail of the earnings distribution, such as CEOs, entertainers, and financial barons. One possible explanation for the absence of a strong relationship between polarization and job satisfaction is that—at least until the recent “Occupy Wall Street” movement—this top 1 percent has not been very visible or salient on a daily basis to most of the labor force. To the extent that average *levels* of job satisfaction have declined among the U.S. labor force since the 1970s, this seems due to intercohort replacement—younger cohorts of relatively less satisfied workers replacing older, more satisfied ones—rather than increasing discontent among the continuously employed. Interestingly, job satisfaction declines are only evident *net* of demographic characteristics, job rewards, and work structures—that is, when we compare individuals who are equivalent on all those dimensions. Kalleberg suggests that this may reflect changing norms and expectations, including employees learning to be more satisfied with less in an era of diminished opportunities, and a stronger sense of entitlement among “Millennials” recently entering the labor force. Whatever the explanation, no simple mapping seems to exist between increasingly polarized and precarious employment systems facing U.S. workers, on the one hand, and the level or variance of employees’ job satisfaction, on the other. This underscores our need to understand better precisely how the changes in employment systems that Kalleberg documents have affected psychological well-being and social relationships, for the worse and, potentially under some circumstances, the better.

The concluding section of *Good Jobs, Bad Jobs* (chaps. 10 and 11) discusses policy implications of the unsettling labor market trends documented in the preceding chapters. Kalleberg argues for a new social contract among business, government, and labor, modeled on “flexicurity” initiatives undertaken in countries such as Denmark and the Netherlands. Key elements of Kalleberg’s proposed social contract include increased taxation; investment in training and development; enhanced governmental oversight of employment relationships; raising minimum wages and labor standards; better unemployment insurance; immigration reform; cooperative ventures among employers within industries and regions to promote workforce training and development; new strategies by unions and other labor market intermediaries to strengthen workers’ voice; and an energy policy that creates shared interests between business and labor in creating good jobs.

Kalleberg is duly mindful of the many impediments to forging such a new compact, and he argues that local experiments are a useful place to start. I agree. Local initiatives not only have a better chance of building consensus

and overcoming entrenched interests, they can also provide a stronger *evidence-based* approach to improving the quality of jobs. Within countries as vast and diverse as the United States, regional, state, and local variations are likely to wreak havoc with one-size-fits-all policy interventions. Moreover, the labor market trends documented in *Good Jobs, Bad Jobs* have been evident across countries with quite different macroeconomic, political, cultural, and demographic features, which should make us wary of any simple or unified causal account. The appropriateness of various elements of Kalleberg's proposed social contract depends on which of the putative causes of polarization and precariousness loom largest in specific labor market settings, about which we know as yet too little. Economists are also likely to argue that the impact of such a social contract should be analyzed from a "general equilibrium" vantage point, taking into account how the proposed interventions might affect factors such as capital-labor substitution, outsourcing and off-shoring, unemployment, the balance of imports versus exports, immigration and outmigration, and the costs and distribution of employee benefits.

Good Jobs, Bad Jobs is an invaluable resource and reference for scholars, researchers, policymakers, journalists, students, and others seeking to understand the evolution of work and employment in the United States since the 1970s. It deserves a prominent place in future discussions and debates concerning firms and labor markets in the United States. Kalleberg sides with those who argue that unbridled labor market competition is likely to sustain a "race to the bottom" among employers, with dire consequences for employees' quality of life at work and off the job. Even scholars and policymakers who question that assessment will need to take careful note of the disquieting trends that Kalleberg documents so compellingly in *Good Jobs, Bad Jobs*.

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Are Average People Doomed? Recessions, Inequality, and Jobs

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history to illustrate how gambling addiction emerges and is facilitated by cultural, residential, historical, legal, political and familial contexts that all interact and change in complex ways. In that respect, it represents an engaging exercise in the sociological imagination. The second is that the author invites the reader to better appreciate the immediate and long-term effects of

gambling addiction as they ripple through the family, the neighborhood, the workplace, and the wider community. By using her personal experience to illustrate those, Dunlap reminds us that addictions victimize many more individuals than just the addicted person. In this respect, those individuals might also find this book particularly insightful about the family nexus of addiction.

Are Average People Doomed? Recessions, Inequality, and Jobs

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The 2008–2009 Recession has been labelled “Great” for justifiable reasons. The economic downturn was the most devastating in the United States since the Great Depression of the 1930s. The volume of capital wealth destroyed, the number of jobs lost, the number of bankruptcies and foreclosures, and the general heartache and suffering were easily the worst in a generation and pale in comparison to even the deep, manufacturing-based recession of the early 1980s.

Comparisons with the Depression of the 1930s are natural and expected. The 1930s Depression brought with it an unprecedented wave of government intervention in the form of New Deal programs, all designed to put average people back to work. U.S. involvement in World War II brought still more economic intervention to spark the war effort. The U.S. economy boomed. When the war was over the United States was literally the “last man standing” in a slugfest that finally rid our world of the last vestiges of pre-enlightenment cultural and national values (or so we thought!). Further, we had millions of deserving soldiers and sacrificing families who had experienced quite enough excitement (thank you very much!) and were looking to settle down and start families. We invested extensively in this large group of people because we thought they deserved our gratitude and we were worried about the effects of a post-war recession on the future economic health of the country. And we needed these people—men and women who could fix

The Great Recession, edited by **David B. Grusky, Bruce Western, and Christopher Wimer**. New York, NY: Russell Sage Foundation, 2011. 329pp. \$37.50 paper. ISBN: 97808711544216.

Good Jobs, Bad Jobs: The Rise of Polarized and Precarious Employment Systems in the United States, 1970s to 2000s, by **Arne L. Kalleberg**. New York, NY: Russell Sage Foundation, 2011. 292pp. \$37.50 cloth. ISBN: 9780871544315.

things, build things, think up new things, invest in things, and otherwise make America great. The top marginal income tax rate in the mid-1950s (under a Republican President who was a World War II hero) was 91 percent. At almost no time did anyone publicly or privately suggest that Mr. and Ms. Average were undeserving, lazy, immoral, or less than human—they certainly were not defined as “takers”(!). We defeated the Germans and Japanese together, and we were going to move forward as a nation together.

That world is not the world described most competently and extensively by David Grusky, Bruce Western, Christopher Wimer, and Arne Kalleberg. The contrast is stark. There are numerous well-reasoned messages backed by copious amounts of well-presented data in both of these books. But the overwhelming impression one comes

away with is that *we are not all in this together*. The very types of people we once went out of our way to help we now go out of our way to fleece for the benefit of the few. It is a depressing picture to be sure. More importantly both books led me to think about the fate of Mr. and Ms. Average in an economic system that does not recognize their humanity.

Grusky, Western, and Wimer, in *The Great Recession*, focus on the immediate economic and social aftermath of the great recession. Unlike many edited volumes, the chapters in this book are consistently of the highest quality, very accessible, very readable, and uniformly formatted. The authors were clearly given a mandate and a set of strong guidelines from the editors and the end result is better for it. The book was produced right as the recession was declared officially "over" (c. 2010) and the predictions in the book are, from the standpoint of mid-2013, eerily accurate.

While much of the terrain covered by the authors is familiar by now, there are some gems in here that are worth mentioning. Neil Fligstein and Adam Goldstein locate the source of the meltdown by going all the way back to the 1960s desire to expand home ownership and financially underwrite it using the Federal Government as a guarantor of mortgage liquidity. The new information that Fligstein and Goldstein provide is that the conventional mortgage market started to saturate in the mid-1990s and banks and other lenders started to look for new sources of profits. Those new profits came from subprime lending, which I learned constituted up to 70 percent of all new mortgages between 2003 and 2007 (yikes!). The search for profits put the entire financial system at risk because every player believed that housing prices would continually rise. Once the housing bubble burst, Mr. and Ms. Average were left with little housing wealth, devastated retirement accounts, and underwater mortgages.

The other contributions to this volume paint a familiar story but do so in ways that reveal some hidden gems of knowledge whose cumulative effect is startling. By March 2010, unemployed college graduates had been looking for work an average of thirty-five weeks (almost 8-and-a-half

months). Home equity declined almost 40 percent in two years. That's a lot of wealth for a lot of average people. The amount of money in retirement accounts dropped by \$3 trillion from 2007 to 2009. The effects of the recession on consumption have been, historically, catastrophic: Mr. and Ms. Average are afraid of the future and hold on to what little money they have because of it. There is no rising tide of supporters for or against government intervention to do something about the recession. Many of the long-term trends in family life were simply reinforced by the recession as long-term trends were moving away from marriage and marital-based fertility. The federal stimulus helped to (at least) prop up the economy during the recession and prevented a much greater tragedy. The lack of public confidence in these programs only serves to prove the adage that "no good deed goes unpunished." Americans' historic commitment to charity and giving were not damaged by the Great Recession and, if anything, were strengthened.

Taken together, this book is the result of serious scholarship by serious people with some strong guidance by the editors. The only minor liability to this volume is that it has a "reverse weight-loss clinic" feel to it. Before the recession things were apparently great ("we were thin and sexy..."). It's only been since the recession that the economic and social life of the United States has gone to hell ("now we're fat and unhealthy..."). But for Mr. and Ms. Average below the top 10 or 15 percent of the income distribution, the pre-recession U.S. economy was scarcely better than the recession economy and its aftermath. This might account for some of the non-findings in this volume. Do we really think that after 30 years of almost uninterrupted supply-side economics that the average person is going to rally to the idea that government will help *them*?? The empirical disconnect between the clear economic disaster (big trends) and the opinion data (essentially no trend beyond changes in party identification) should give pause to the idea that the American economy was doing right by average people prior to the Great Recession.

Arne Kalleberg, in his excellent volume *Good Jobs, Bad Jobs*, goes a long way toward

addressing this deficiency at least with respect to job creation, job availability, and job quality. This book received the Best Book Award from the Poverty, Inequality, and Mobility Section of the ASA and it's not hard to see why. The book is a broad indictment of rising inequality addressed through the lens of job quality.

The cumulative results of the book are especially devastating. The standard ways most people would think of a good job—reasonable pay, an opportunity for earnings to increase over time, health insurance and retirement benefits, some autonomy and control over work activities, some flexibility in scheduling, and some control over job termination—now seem more elusive than ever. What Kalleberg documents is nothing short of a wholesale decline in most dimensions of job quality for most workers, accompanied by growing polarization in the labor market between high quality, highly skilled jobs that pay well and have fringe benefits, and jobs with relatively little to offer beyond something to do for inadequate, poverty-level pay, irregular hours, and no job stability.

Kalleberg takes extensive care to document that the major culprit in the overall decline of job quality is the decline in institutional protections for average workers. Here there are a familiar set of culprits, but Kalleberg does a very good job of pointing to the implications of each for declines in institutional protections that propped up the quality of jobs in the United States. Globalization and spatialization allowed employers and investors to move production and work-related activities to any place in the world and to sell goods or services anywhere else in the world. This has led to everything from the familiar “sweat shop” shoe factory in Indonesia to outsourced legal services and “medical tourism” in India. The ability of companies to ship their products anywhere at low costs increased price competition everywhere and drove profit margins to razor thin levels. The expansion of global finance as an end in itself, and its corresponding role in corporate governance and political economy led to a push toward short-term profit margins and away from long-term production and profit goals. One could add, that tying CEO compensation to corporate stock options created the incentive

to do anything to increase short-term shareholder value at the expense of long-run viability.

Grusky, Western, and Wimer are light on policy prescriptions because their book is a play-by-play account of the effects of the recession on different areas of social life as events unfolded. Kalleberg's discussion of good and bad jobs is far less shy because the problems he addresses have been brewing for a long time and the recession (if anything) only brought a set of long-term trends to a head. In particular, Kalleberg advocates for flexicurity of the kind one finds in Denmark and the Netherlands. There particular jobs are not secure but social insurance and job retraining help to move workers from one realm of productive work to another, while minimizing the damage caused by employer job flexibility. Setting labor market standards and reforming the immigration system will keep a floor below which jobs will not fall and keep employment in the formal sector of the economy. Most importantly, he points to the need for a new social contract of the kind Robert Reich and others discuss: in the end, we would all be better off in an economic system that provided steady, well-compensated, high-productivity employment and invested in a workforce that could continually stay on top of their game.

Taken together, Kalleberg provides a comprehensive empirical study of the causes and consequences of precarious employment. Western, Grusky and Wimer have provided a comprehensive view of the effects of the Great Recession. What is missing in this overall picture? In a word, not much but I do have a few suggestions that come from pondering the message of both books.

Ultimately, the problem of bad jobs and the problem of the recent economic collapse stem from the same long-term source: *the financialization and casinoization of the American economy*. Financialization did two things, both of which have been very corrosive to the American way of life and the well-being of Mr. and Ms. Average. Economically, financialization turned financial transactions into ends in themselves rather than a means for accomplishing or producing something else. Culturally, financialization set the stage for the subsequent degradation of work and

the cultural trivialization of those that do it. Both of these consequences are connected. If investors can make money without employing anyone and there is no direct connection between the employee's well-being and employer's profits, then jobs for Mr. and Ms. Average are not necessary at all. As jobs decline in quality, only stigmatized people will do them. I actually think that there is a significant cultural relationship between the decline of conventional work, conventional mobility avenues, and the rise of high-stakes televised competitions that take average people and shower rewards on them if they can sing, dance, or otherwise make fools of themselves (but that's a matter for cultural sociologists to address).

Financialization and casinoization are related to a series of other trends that the authors mention in passing. But I would argue these trends are more central to their account than they appear. The first of these is the almost total collapse of inter-generational mobility in the United States. Making money in a financialized world requires...well... Money (!). Those who have it can make more of it. Those without it have difficulty investing very much and making very much, and they certainly cannot reliably make a fortune in a housing bubble that is deliberately arranged to make billions of dollars for a small set of people.

Second, and to their credit, *the authors do not fall for the standard "get more education" bromide that journalists and others resort to as a solution to all our problems from urban poverty to tooth decay.* Employers can treat educated workers just as badly as uneducated workers. The labor market links between education and work in the United States are the most obscure in the industrialized world. The "education premium" here is driven as much by the downward earnings trajectories of the uneducated as it is by the upward earnings trajectories of the educated. And what happens when "everyone" has the same education? The labor market value of

that education falls to zero! In the end, it is no more true that poverty and inequality would be eliminated if everyone had an education (because education currently carries a wage premium) than it is that poverty and inequality would be cured by getting single mothers to marry (because married people are currently better off than single people). Yet the "get more education" story gets a free pass by many and the "just marry the man" story is interpreted as racist (at worst) or empirically suspect (at best). The authors here tell an education story but (to their credit) don't buy into this kind of hype.

Third, *both volumes underplay the role of rising consumer debt in keeping the economy going pre-recession.* Without the ability to borrow money easily, get new credit cards, and borrow against the equity in houses the American economy would have come to a screeching halt long before 2008. The ability of consumers to borrow more money and not prove they could pay it back severed the historic link between quality employment for the masses and profits for the elite. This, as much as anything else, doomed Mr. and Ms. Average. The ability to ship jobs and goods around the world only exacerbated this problem—but it is completely possible to run a domestic, closed economy this way, too, with the right politicians in power.

So, are Average people doomed?? If there is no relationship between financial profits and average people's work, and no means of accessing income from non-work sources, then the answer is yes. We need to either reinvest in social insurance systems that make unstable employment economically tolerable for Mr. and Ms. Average (as Kalleberg suggests) and/or find ways to unconcentrate wealth and give more people access to income streams from investment and financialization. In the end, if the spending of average people is a public good (like trash collection and fire protection) then the means of supporting it need to be treated like a public good and (ultimately) funding like one, too.



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Good Jobs, Bad Jobs: The Rise of Polarized and Precarious Employment Systems in the United States, 1970s to 2000s

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Good Jobs, Bad Jobs: The Rise of Polarized and Precarious Employment Systems in the United States, 1970s to 2000s. By Arne Kalleberg. New York: Russell Sage Foundation, 2011. 292 pp. ISBN 978-0-87154-431-5, \$37.50 (Cloth).

By January 2012, the anemic national recovery from the Great Recession had left the labor market still more than 6.6 million jobs behind the prerecession level. In an economic climate of such desperation, any job seems like a good job, and the unemployed, local economic developers, and politicians all focus on job creation, without much attention to the quality of jobs getting generated. But if anything has become clear over the last thirty years, it is that not all jobs are the same. Indeed, our nation's labor market has become more polarized. Arne Kalleberg's comprehensive and thoughtful overview of the widening chasm, *Good Jobs Bad Jobs*, provides a wealth of information and analysis to make this point. Focused not on the recession and recovery but on the long-term trends separating good and bad jobs, this book from the American Sociological Association's Rose Series is a timely arrival that reminds us, in a moment when jobs are so desperately needed, that this nation needs not just any jobs but good jobs.

The book opens with a sobering description of the forces changing the demand side of the labor market—competitive pressures, financialization (increasing managerial focus on short-term profits to satisfy capital markets), weakening institutions, and the associated emergence of low-road firm strategies—that have polarized the quality of jobs since the 1970s. This early chapter usefully and credibly synthesizes the broad and disparate literatures on issues from deunionization to shifting capital markets and firm pursuit of flexibility, and it places the national experience in an international context. Kalleberg's argument here is essential reading. He lays out a strong counterargument to those who would simply blame globalization, lack of worker education, or the increasing gender and ethnic diversity of our workforce for the problem of bad jobs.

In addition to the increasing inequality between good and bad jobs, Kalleberg reviews the evidence of the growth of insecure and precarious work in the United States over the last thirty years. The strongest evidence is the author's own work on perceived job insecurity, which, once adjusted for unemployment and labor force characteristics, shows a marked increase over the last thirty years (p. 101). This is not a story of increasing inequality in the labor market, rather it is a story of decline that has permeated the entire occupational structure, leading to an across-the-board increase in instability and an associated decline in job quality for all workers.

The author's broad definition of job quality and his discussion of trends by elements of quality are two important contributions. Economists generally consider wages to be the essential indicator of job quality. Kalleberg charts good and bad jobs on this measure and shows that bad jobs have been a stubborn problem in the United States. An increasing reality over the course of the last decade, they have been immune to improvement during periods of strong economic growth (p. 129). But broadening the picture beyond wages is required to really comprehend the increasing polarization and precariousness of jobs that are central to the message of this book. Kalleberg expands the picture from wages to include benefits, which show a clearer trend in polarization, and then provides an overview of increasing inequality of three further key aspects of job quality: control over work activities, control over hours and intensity of work, and job satisfaction.

At times, the strength of the empirical evidence falls short of the book's premise. Even at the basic level of wages, the rise in bad jobs is hard to see. The United States has very high levels of bad quality jobs to be sure, especially compared to other OECD nations; and thirty years of economic growth have had no effect on the share of bad jobs, as measured by wages. So the problem is clear, but the *trajectory* does not stand out. Some evidence on job satisfaction, work intensity, and autonomy is also inconclusive. In part, subpopulations often have divergent trends: men, for example, show clearer declines in job quality while women often show improvement. Increasing polarization for some and increasing opportunities for others leave the average measures unchanged, but these are indicative of a shifting reality in living standards. The strength of the book, however, is putting the multiple sources of data forward in the context of explaining the restructuring work. The narrative established at the beginning of the book provides a foundation for understanding the interplay of many divergent series of data and delivers an actual picture of the restructuring of work, rather than a compendium of facts about work.

The book establishes the challenge and then closes with an agenda for improving job quality in the United States. The very structure of the book makes it clear that the nation will not develop appropriate solutions to polarization and the precariousness of jobs if our analysis fails to take into account the role of institutions and firm strategy in undermining job quality. Kalleberg calls for a new social compact to support workers while allowing firms the flexibility they need to compete. The policy prescriptions build on international research, especially the experience of the Netherlands and Denmark, which combine flexibility for employers (ease of hiring and firing workers) with strong security for workers (via strong and inclusive unemployment insurance and retraining schemes). Kalleberg argues that this “flexicurity” approach could be adapted to the United States and provide a strategy to counteract the thirty-year trends his book so well documents. While the proposals he offers could indeed help build a new and more responsive system for both workers and firms in the nation, toxic national politics leave little doubt that major initiatives to do so will be out of reach for the foreseeable future.

Any academic interested in understanding the sweep of change in the U.S. labor market or conveying the change to graduate students should read and use this volume. It is a fortunate coincidence that both *Good Jobs, Bad Jobs* and Osterman and Shulman’s *Good Jobs America* (see review this edition) are coming out now and devote serious attention to the issue of job quality and how to improve it. American researchers and policymakers should take in the evidence that these two important books provide and take up the issue of improving the quality of jobs for every American worker.

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The Temp Economy. By Erin Hatton. Philadelphia: Temple University Press, 2011, pp. 212, ISBN 978-1-4399-0082-9, \$26.95 (Cloth).

In *The Temp Economy*, Erin Hatton examines the historical evolution of temporary agency work in the United States from its origins to its current form. In her compelling analysis, she marshals evidence from industry publications, popular media, and legal and legislative sources to track the expansion of temporary agency work. In addition, she explores how labor market actors responded to the temporary agency industry. She connects each stage of development in the temporary agency industry in the United States to labor market factors, trends in business, and legal and legislative changes to help explain its growth. In the second half of the book, she examines the consequences of this expansion.

At the core of her analysis, Hatton argues that after the Second World War, the temporary agency industry took steps to establish itself as an influence on how companies viewed employment relationships. In the early days, their focus was on finding employment for white middle-class women interested in earning supplemental income. As the temporary agencies gained traction, they revised their pitch—discarding the Kelly Girl for the “semi-permanent” employee—to broaden their reach to the male workforce. The maturation of the industry featured a modified appeal to employers, which presented the temporary agency workers as potential replacements for full-time employees.

Hatton covers a breadth of material and offers interesting insights into how temporary agency work developed in the United States. For example, an important sidebar story she highlights is the tension between the temporary agency industry and labor unions regarding the use of temporary agency workers as replacement workers in strikes. The strength of her approach rests on her analysis of how the temporary agency industry marketed its services and adapted its approach to expand its role in the labor market.

In contrast to other books that focus on firsthand accounts from the temporary agency workforce or adopt a legal or economic perspective on the expansion of temporary agency work in the United States, Hatton’s multidisciplinary approach fills a void. She brings together these various perspectives, along with an analysis of the temporary agency industry’s effective approach to marketing, to offer a coherent explanation for the expanding influence of the temporary agency industry in the United States. The detailed evaluation of the

Good jobs, bad jobs

Good Jobs, Bad Jobs: The Rise of Polarization and Precarious Employment Systems in the United States. By Arne L. Kalleberg, New York, NY, Russell Sage Foundation, 2011, 292 pp., \$37.50/hardback

In this large and detailed work, Arne Kalleberg, Kenan Distinguished Professor of Sociology at the University of North Carolina at Chapel Hill, investigates what he argues has been the transformation of work and employment relations in the United States over the past three to four decades. While he acknowledges the forces of international competition and rapidly changing technology that compel employers to adapt their human resource policies, he devotes the bulk of his discussion to the economic and social conditions that have given rise to “bad jobs,” even as employers’ requirements for skill and knowledge foster the creation of “good jobs.” Kalleberg defines “bad jobs” as jobs that usually pay low wages, offer few if any wage increases over time, provide few if any fringe benefits, and allow no control over work activity. “Good jobs,” by contrast, pay relatively high earnings, provide opportunities for advancement and adequate fringe benefits, and permit some worker control over scheduling and termination of the job. The crux of Kalleberg’s book is that all jobs, whether good or bad, “have become increasingly precarious in the past four decades...and it is increasingly difficult to distinguish good and bad jobs on the basis of their security.”

The author writes, “...bad jobs are

no longer vestigial but rather, are a central...and in some cases a growing...proportion of employment in the United States.” In line with the position of the European Commission, he does not believe that there can be “a single composite measure” or index of employment quality. He chooses instead to examine the economic and noneconomic aspects of job quality separately. Difficulties nonetheless arise. Nonstandard jobs, for example, may include those in which workers are well paid and can choose their own schedules. But this would not seem to be the norm. Thus, a large proportion of U.S. establishments—one-third to one-half—have adopted the core-periphery model of labor utilization: a core of “highly skilled, functionally flexible workers,” assured of fairly permanent positions, “buffered” by “a periphery of outsourced, temporary, part-time and contract workers,” who are subject to layoffs whenever cuts in labor costs are called for. Human resource management teams in such firms thus divide their workforce into either a permanent or nonpermanent status, just one aspect of the polarization (i.e., inequality) of the workforce Kalleberg examines.

Kalleberg contends that, during the 30 years following the end of World War II, a “psychological” or “social” contract existed between capital and labor, ensuring the mass of blue-collar workers a measure of job tenure and occasional promotions in return for hard work and reliability. This understanding began to erode during the 1970s. Jobs became less secure; industries faced such “macro-economic forces as aging technologies, and rising global competition from the lower cost

labor of developing countries.” Labor market institutions weakened, becoming less able to protect workers against downsizing, two-tier wage agreements, outsourcing, the hiring of temporary employees, and other means of facilitating “flexibility.” Risk tended increasingly to be transferred to the workforce; for example, employer-paid pensions began shifting from defined benefit plans to defined contribution arrangements, and funds for employee training began drying up. (As scholars have noted, the latter may be an even more difficult hurdle for middle-age and older persons to overcome, because they are more likely to have home responsibilities and weaker academic backgrounds).

Kalleberg also notes the development of displaced-worker data by the Bureau of Labor Statistics in the mid-1980s. For the first time, information was collected on the involuntary displacement of workers for such reasons as plant closings, slack work, or the termination of positions or shifts. The loss of jobs in which these workers had accumulated specific skills, Kalleberg feels, calls for retraining programs and job search assistance.

In November 2008, Lawrence Summers, later a high-level economic advisor in the Obama administration, remarked, “The lack of middle class income growth since the late 1970s is the defining issue of our time.” His concern was the stagnation of wages for much of the labor force, “especially for men,” and the “proletarianization” of the large middle class. Earnings inequality had been relatively stable during the earlier years of the postwar period, but it was aggravated thereafter by “the creation of large numbers of

poor quality, low quality jobs” starting in the mid-to-late 1970s.

In recent years, greater wage inequality has been widely attributed to skill-based technological change—for example, the “professionalization” of certain positions and the outsourcing of many others, resulting in an oversupply of unskilled or semiskilled workers. Yet, adaptation to changing technologies and the new skills it requires has been a continuous process in all modernizing economies for more than a century now. As Kalleberg points out, the skill-biased technological change in other advanced countries did not give rise to the inequality effects it has in the United States. Wage inequality has arisen at least in part from pressure to keep wages low, aided and abetted by job insecurity, layoffs, (i.e., worker displacement), the declining value of the minimum wage, and deunionization. High-wage occupations, in contrast, have been in large measure associated with changes in relatively few occupations (such as computer systems analysis and financial sales functions). Kalleberg terms this phenomenon “the growing financialization of the economy.”

In his tireless pursuit of workers’ quality of worklife experience, Kalleberg also investigates the time pressures they must address—on the job as well as at home. According to International Labor Organization data that he cites, “Americans worked 1,978 hours in 2000, a full 350 hours—9 weeks—more than Western Europeans,” and dual-earner couples worked a total of 3,932 hours in 2000. In addition, “The average American worked 199 hours more in 2000 than in 1973,” a period of three decades during which productivity nearly doubled. Possible reasons workers put in

more hours include (1) efforts to make up for stagnant earnings, (2) corporate restructuring (i.e., downsizing, or reducing staff size), and (3) the pressures of global competition. Per Kalleberg, “The perceptions of a time squeeze on families [have led] ... scholars and lay persons to question the legitimacy of time demands at work, the sacrifice of other values to the ever faster production of goods and services, and the resulting burden placed on the family and the health of citizens.”

Kalleberg devotes the last part of his book to an overview of “Challenges to Policy”: challenges that the problems of the polarized and precarious employment system pose. These, he believes, call for a “new social contract,” or understanding, between business and labor, sustained by government policy and agency. Such a social contract, Kalleberg believes (or at least implies), existed between the end of World War II and the 1970s—a period in which trade unions were relatively strong—helping to ensure that productivity gains were equitably shared and that a sense of employment security prevailed.

At the core of Kalleberg’s conception of the new social contract is the idea of “flexicurity.” Borrowed from some of the experiences of Western European countries, flexicurity is designed both to safeguard the flexibility that business requires to meet global competition and effect rapid technological change and to impart a sense of economic and social security to the workforce. Kalleberg lists several “dimensions” of this security (some of which have been in existence since the 1930s) in his book. He appears to think that they should be anchored as citizen rights—that is, rights that exist outside the labor market—but not necessarily as

employment rights, which tend to be subject to the “employment at will” doctrine of American business. He urges the reversal of the “anti-union climate in America” and the “reaffirmation of the right of workers to organize and bargain collectively.” He has his doubts that the workplace model of trade unionism will remain viable, in view of workers’ lessened attachment to employers and the greater importance of labor market intermediaries, which make for greater mobility between jobs and employers. Here, Kalleberg seems not to appreciate that such greater mobility lies at the root of the very precariousness he wishes to diminish.

An issue that remains is whether the “social contract” assumed by the author (as well as other scholars) to have existed during the earlier post-war period was really a success, considering the long strikes which occurred during that timeframe in the steel and auto industries and others. Moreover, after 1949 a number of states passed “right to work” laws, impeding the expansion of trade unions and indirectly encouraging the location of industrial enterprises in those states. Kalleberg is aware of the great political difficulties his various policy proposals face, but they do not deter him from fully supporting them.

This reviewer believes that Professor Kalleberg has written an indispensable work—indispensable to an understanding of today’s situation of American labor and of much of the economy that sustains its livelihood. I strongly recommend the book. □

—Horst Brand
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Good Jobs, Bad Jobs

Jerry A. Jacobs¹

Good Jobs, Bad Jobs. *Arne Kalleberg.* New York: Russell Sage Foundation, 2011.

Since the 1980s, race, social class, and gender have garnered considerable attention from sociologists as multiple dimensions of differentiation. Arne Kalleberg's study is a welcome complement to this line of research as it helps to redirect attention to the structure of inequality. While it is well known that economic disparities have grown over the last 30 years, Kalleberg broadens our understanding by showing that the gulf between good jobs and bad jobs has grown across a series of dimensions. We have entered a new period of disparate rewards and insecure employment which fundamentally alters the social compact that prevailed after World War II. Kalleberg outlines the contours of this transformation and calls for a new social accord between workers and management that would make our economic institutions more suited to delivering on the promise of the American Dream.

This volume sketches the broad outlines of employment trends over the last several decades. Kalleberg has made many contributions to our understanding of employment and the workplace over the course of his career, and in this volume he skillfully weaves together key trends that are too often treated as isolated data points. Kalleberg presents a number of original analyses drawing on data from a wide range of sources. He examines surveys that ask workers how they feel about their jobs in addition to simply tabulating their current earnings. Consequently, he is able to examine whether employees are engaged with their work, control their work schedules, and are satisfied with their jobs, questions that are often relegated to specialized reports. He also deftly synthesizes the findings of other scholars, mostly economists, sociologists, and analysts of industrial relations and human resource management.

Kalleberg documents the steady increase in the productivity of American workers since the 1980s. The benefits of this productivity growth, however, have accrued unevenly, benefiting largely the most educated workers and the owners of capital. Since the 1970s, wage disparities have grown while the average wage has stagnated. The slice of the pie going to those at the median wage and below has not expanded.

Kalleberg shows that this trend is part of a broader transformation in employment relationships. These trends in part reflect the slow but steady polarization of the occupational structure. A college degree is increasingly

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required for entry into the ranks of professional and managerial employment. These trends coincide with the sharp decline in private-sector unionization.

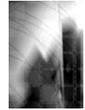
Jobs have become less secure as more workers are employed by temporary agencies or as independent contractors. The number of years a worker has remained at the same firm has declined, and employees report that they feel that their jobs are more precarious than they were in the past.

Kalleberg finds that the disparity among good jobs and bad jobs is growing in most respects. Highly educated workers in professional and managerial occupations earn higher wages and have a greater degree of job security. They are also more likely to be satisfied with their jobs and more engaged with their work, and have more control over their work schedules (although they often put in long work weeks). Over the same period of time, less educated workers have seen their wages stagnate, their access to secure employment narrow, their job schedules become less predictable and more likely to include night and weekend work, and their likelihood of having health insurance and pension plans decline.

In general, risk has shifted from employers to employees. The transformation of pension plans is emblematic of this trend. The defined benefit plans of the 1960s and 1970s provided retirement security to employees. If yields on investments were not adequate to cover pension obligations, the onus was on the firm to cover the shortfall. In the defined contribution plans that have become the dominant arrangement since the mid-1990s, it is worker who bears the risk. A drop in the value of stocks, such as that experienced in 2008, reduces workers' retirement nest egg without requiring any additional contributions from the employer. Furthermore, a growing fraction of workers in part-time and other low-wage jobs have no access to even these less secure pension plans; they typically lack health insurance as well.

Kalleberg could have strengthened this important volume even further by systematically mapping the effects of these trends by race, class, and gender. Kalleberg documents the growing diversity of the labor market, and he connects many disparities to education and gender, but less often details their impact on racial and ethnic minorities and recent immigrants. In other words, it is likely that these trends have been especially hard on those with the least secure footing in the workplace. In this way, the current of work on social disparities could have been joined to the stream of attention to the structure of inequality.

Kalleberg's valuable synopsis of inequality in the United States over the last 40 years should be widely read by policymakers and those interested in understanding who benefits from the current structure of the workplace. This informative book would be a useful text for upper-level undergraduates and as an overview of workplace inequality for graduate students.



Book review symposium

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Arne L Kalleberg

Good Jobs, Bad Jobs: The Rise of Polarized and Precarious Employment Systems in the United States, 1970s to 2000s

New York, NY: Russell Sage Foundation, 2011, \$37.50 hbk, (ISBN: 9780871544315), 312 pp.

Reviewed by Paul Blyton, Cardiff University, UK

As its title and sub-title suggest, the author's thesis is that as a result of changes in the nature of employment, the proportion of 'bad' jobs in the US economy has increased since the 1970s and that workers face a more polarized and less secure employment system compared to a generation ago. *Good Jobs, Bad Jobs* is a wide-ranging overview of the concept of job quality, the factors influencing the scale of good and bad jobs in the USA and the trends evident in relation to various job quality elements. The overview ends with the author's policy recommendations of how the USA should respond to what he identifies as a deteriorating position with regard to job quality.

As Kalleberg points out, and as readers of this journal will be well aware, the issue of what constitutes a good job has been of abiding concern to social scientists interested in the nature of work and employment. For a century, the relative importance of extrinsic and intrinsic aspects of work have been measured and debated. Studies of subjective job quality – particularly investigations of job satisfaction – have highlighted the significance of both extrinsic features of jobs (such as pay levels and job security) and intrinsic factors (engaging in meaningful work and having a degree of job autonomy, for example) in people's overall evaluation of their job satisfaction. Kalleberg fully recognizes this multifaceted nature of job quality: that good (and bad) jobs comprise both objective features – relating to, for example, reward levels and work hours patterns – and subjective aspects such as degree of perceived job insecurity and job satisfaction. Different chapters are devoted to reviewing evidence of trends in these different elements.

The book is divided into three parts. Part 1 traces the factors that the author identifies as having undermined job quality in the USA since the 1970s and led to the disproportionate growth of bad jobs. Chapter 2 charts the expansion of employer freedom in the USA to determine the character of employment and jobs and the factors stimulating an intensified search for lower labour costs. Central to the former has been a weakening in the checks and balances on employer power, as a result of declining union influence and a diminished state regulatory role in employment protection. A more competitive market environment is seen to have provided the central motivation for securing lower labour

costs. While such an analysis covers similar ground to other accounts of changes in employment systems in the recent past, what Kalleberg's account usefully adds (in Chapter 3) is how these employer strategies have been assisted by the influx onto the labour market of workers willing to accept low paid, insecure jobs. The author points both to the increased labour market activity of women searching for more flexible employment contracts (and prepared to compromise on other aspects of work to secure that flexibility) and foreign-born labour, many with relatively few educational and skill qualifications, for whom low-paying jobs are the only available option. Indeed, a key theme running through the book is that those securing 'good' or 'bad' jobs are distinguished by their educational level. Groups with restricted labour market power, as a consequence of low educational and skill development, facilitate the growth of low wage and precarious jobs – employers offer such jobs in the knowledge that they can fill them. The upshot, argues Kalleberg, has been a hollowing out of the occupational structure with some expansion in high skill, high wage ('good') jobs, together with a (disproportionate) growth in low wage, low skill ('bad') jobs. This pattern has been facilitated by work organization changes – technological developments, organizational layering and so on – that have brought about the demise of many middle-ranking jobs in both blue and particularly white collar activities.

Part 2 comprises six chapters that trace changes in different aspects of job quality. The evidence on these different aspects does not all point in a common direction. In some the trend is fairly clear-cut and in the anticipated direction: on pay and benefits for example, in terms of the growth in earnings inequality and the decline in the proportion of jobs that offer health insurance or pension provision. In other job quality aspects, however, the agreed trend is much weaker (for example, in respect to perceived job insecurity), not evident at all (such as in relation to the proportion of the workforce on temporary contracts, such as on-call workers), or even the opposite trend to that expected by the 'bad jobs' thesis. Examples of the latter include increased reported levels of task discretion, extent of participation in decision-making and degree of control over the scheduling of work hours. Overall, while the author reports these counter-trends, he does not successfully incorporate them into his argument. The different patterns of change in individual job features point to a more complex pattern of development of work than can be fitted neatly into a 'decline in job quality' thesis. While much anecdotal evidence supporting such a decline is available, demonstrating this in large-scale, comparable and longitudinal studies has proved much more elusive, on both sides of the Atlantic.

Partly, this may reflect the problems arising from bi-polar categorizations such as good/bad jobs or high/low job quality. What the patterns that are out of line with the general argument indicate is the need for greater recognition of the complexity of developments in employment systems. And in turn, this complexity – some aspects of jobs getting better, others getting worse – reflects the central dilemma facing management: that they seek not only control over their workforce (maximizing its flexibility, minimizing its cost), but also the active cooperation of that workforce to engage fully and productively in the production process. This creates a requirement for management to place some carrots (for example, a degree of discretion over working time to facilitate work-life balance) in among the sticks of the employment relationship. This more complex

nature of work and employment in contemporary industrial society cannot be fully captured by a single thesis relating to the growth of bad jobs.

In Part 3, Kalleberg argues the policy implications of his analysis and puts the case for a new social contract in the USA comparable to the New Deal social contract of a previous generation. He outlines an enhanced role for the US state, the need for greater protection to support union revitalization and the benefits for employers of pursuing high road rather than low road employment policies. The author draws on European 'flexicurity' initiatives to argue the potential for balancing employer demands for labour flexibility with social security and active labour market policies by the state. At the same time, Kalleberg acknowledges that policies developed in small, collectivist and high public expenditure countries such as Denmark will be very difficult (to say the least) to transfer to a US environment that is both much more individualist and much more hostile to higher taxes and higher public expenditure.

Reviewed by Duncan Gallie, University of Oxford, UK

This is a synthetical work by one of the masters of the field. Since his early research on job satisfaction and work values in the 1970s, Kalleberg has produced a steady stream of influential articles covering inter alia labour market segmentation, skills, earnings inequalities, gender differentials, high performance management systems and particularly in the last decade, flexibility and contingent work. In the current volume, he has stepped back from his more specialized statistical analyses to reflect, in a highly accessible way, upon the broad picture of change in the US employment system from the 1970s to the recent 'Great Recession'. There has been a remarkable dearth in recent decades of research-based integrative overviews of the evolution of work, comparable for instance with the ambitions of the theory of industrialism that depicted the 1950s and 1960s. With the increasing specialization and technical rigour of research, writers are rare who have both the breadth and depth of knowledge to do this in a convincing way. Kalleberg is one of the best placed to tackle the task and his summative overview will surely become central to discussions about the changing nature of work in modern capitalism.

The two major trends that he identifies as transforming the employment structure and the nature of work are those of growing polarization and precariousness. There has been increasing polarization in both the economic and non-economic dimensions of work, reflecting structural rather than cyclical change. At the same time, there has been a growth of precariousness that has affected all categories of the workforce, managers and professionals as well as the low skilled. It is an argument that conflicts sharply with the optimistic scenarios of the theory of industrialism and some of its later manifestations in theories of the information or knowledge economy. At the same time, it differs from the stronger forms of the degradation of work thesis in the neo-Marxian tradition, although it shares with them a primary emphasis on the darker implications of developments over recent decades. Kalleberg roots these trends firmly in changes in the macro-structural context: new technological and competitive conditions; institutionally conditioned employer responses to the pressures for more flexibility and changes in the composition of the labour force (in particular with respect to gender and immigration).

The argument for polarization is developed through successive chapters on specific dimensions of the quality of jobs. The notion of polarization is perhaps most familiarly associated with growing inequality between those at the top and those at the bottom. But, as in much of the literature, the concept is used here with a certain flexibility, covering rather different types of change: for instance, in the relative size of workforce categories (occupational structure), the extent of inequality (earnings) and even divergences that are inversely related to the central hierarchical pattern of work (work time). Kalleberg takes us deftly through the accumulating research evidence and explanations of the hollowing out of the occupational structure in the USA. The period saw an expansion at the top of managerial, professional and technical occupations and at the bottom of sales and service occupations, but, at least after the 1990s, a decline in middle level clerical, skilled and semi-skilled manual occupations. He also persuasively argues for polarization in terms of the sharp growth of earnings inequality, as well as increased variance with respect to control at work. But not all of the evidence points to a growing gap in the quality of work between those in more privileged higher skilled occupations and the lower skilled. The marked increase in hours spent at work, with the pressures it places on balancing work and family life, has primarily decreased the quality of work life of those in more skilled work. Perhaps most crucially, the privileges of the high skilled, it is suggested, have been undercut by the spread of insecurity from its traditional concentration on less skilled secondary workers to all categories of the workforce. Given such qualifications, it is interesting to note that there is no firm evidence of polarization in job satisfaction over the period.

It is the rise of precarious work that forms the second and most chilling pillar of the book's argument. It is also empirically the much trickier part of the discussion. Few would doubt that the economic crisis of recent years has seen a huge rise in insecurity across the workforce. But the thesis here is about longer term structural changes since at least the 1980s that have been eroding stable employment careers. As Kalleberg points out, the available evidence about longer term patterns of change is very unsatisfactory because of the late-in-the-day collection of key statistics (for instance, systematic data on involuntary redundancies were not collected until the early 1980s) and changes over time in the definition of measures (for instance, with respect to tenure). Moreover, such evidence as exists is far from giving a fully consistent picture of a widespread growth of insecurity. Alongside studies of declining security, we find others showing that the very low proportion of American workers with the most problematic forms of non-standard contracts changed little between the mid-1990s and the 2000s and may even have declined a little. One of the major studies on job durations showed no decrease over time for women (or for men in the public sector). Perceived job insecurity actually diminished from the 1980s, albeit that it can be estimated to have risen relative to the unemployment rate and labour force characteristics. It is entirely to Kalleberg's credit that he cites carefully the studies that are problematic for his thesis as well as those that support it. He may be right in his view that the general pattern has been one of increasing and pervasive insecurity, but it needs a certain act of faith to draw a firm conclusion from the limited and conflicting evidence currently available.

The final phase of the book turns to a discussion of how the quality of work in the USA might be improved. Kalleberg argues for the need to define a new social contract.

A discrete sub-theme of the book is the distinctiveness of the deterioration of the quality of work in the USA and he draws on European thinking about the potential of 'flexicurity' to substitute for strong employment protection. He is clearly under no illusion about the likely difficulty of such a project, since it would require 'a commitment to the government as a vehicle of the good society and as an instrument to be used in the public interest' in a society in which central values are individualism and 'the belief that individuals should be free to make their own bargains with one another and with employers without outside influence' (p. 205). The project is clearly conditional upon a major shift in American values. As he also notes, the employment relationship is a power relationship and, in the face of sharply declining union influence, it is far from evident that the resources available from the diverse 'new institutional forms' he points to will have the capacity to restore the power balance. But he is surely right that, however bleak the current prospects, the case for better work quality has to be made and the potential pathways towards it clarified. There is a sense of moral concern underlying the argument of the book that brings very effectively together the traditions of empirical and critical sociology. For academic researchers, the book certainly provides by far the best overview available of US research on the quality of work.

Reviewed by Stephen Jaros, Southern University, USA

In *Good Jobs, Bad Jobs*, Arne Kalleberg examines changes in job quality and employment security in the USA over the past four decades, changes he believes have been, from the perspective of the employee and society, for the worse. His goals are to document these changes, explain why they are problematic and propose public policy solutions to them.

Good Jobs, Bad Jobs consists of 11 chapters organized in three sections. In the introductory chapter, Kalleberg adopts an expansive view of job quality, defining it in economic (compensation, control over work activities, job security), psychological (intrinsic rewards) and social (work-home fit) terms, a welcome approach. Part One, on 'changing work structures and workers', consists of two chapters that propose that over the past 35 years, factors such as heightened global competition and advances in computer technology resulted in business practices that have led to a polarized occupational structure in which both high-skill, high-pay and low-skill, low-pay jobs have proliferated, but traditional middle-class jobs, jobs that pay a good wage but do not require much education, have disappeared. At the same time, a lessening of civic commitment to social safety nets, a weakening of laws that promote union rights and an ascendant ideology of individualism have resulted in harder times for the 'losers' caught on the wrong side of this growing job-quality divide. These workers, many formerly in the middle class, now earn lower wages and lead precarious lives, threatened by layoffs.

In Part Two, on 'inequality in job quality', comprising Chapters Four through Nine, Kalleberg seeks to support these contentions by meticulously describing the growing polarity in the US occupational structure between good and bad jobs and the increasing precariousness of work. Some of the evidence in this section does support the thesis of substantial increases in job inequality. In Chapter Four, Kalleberg shows that the US occupational structure has indeed become polarized since the 1970s, with growth in

high-pay jobs such as managers and low-pay jobs such as unskilled service work, but a decline in jobs that support a middle-class lifestyle. However, there are also some results that do not fit the growing-inequality thesis. For example, in Chapter Six we learn that the proportion of good jobs and bad jobs in the US economy, defined in terms of pay and benefits, is essentially the same now as in 1979. While Kalleberg concludes Part Two by claiming that job inequality and precariousness in US employment has increased substantially since the 1970s, my impression from reviewing these chapters is that perceptions of precariousness have increased slightly across all occupations (Chapter Five) and that while employees at the top have seen their pay rise relative to lower-level employees (Chapter Six) they have paid for this in the form of greater relative insecurity, longer/harder hours at work (Chapter Eight) and lower job satisfaction (Chapter Nine); and that fewer employees across all pay grades and occupations are today subject to traditional Taylorist work routinization and bureaucratic command and control styles of supervision (Chapter Seven).

In the final section, on ‘challenges for policy’, Kalleberg calls for a new social contract to ameliorate what he perceives as harder times at work, one that harkens back to New Deal and Great Society liberalism. In Chapters Ten and Eleven he discusses formidable obstacles to its implementation. But while Kalleberg recognizes that globalization forces have played a strong role in shaping US employment practices, his solutions to the problems of job polarization and insecurity e.g., an expanded social safety net, government sponsored retraining, and strengthening of collective bargaining rights, are almost entirely national-institutional. The book ends with a short paragraph calling for the elaboration of a global agenda to address these problems, but offers no ideas on how to bring this about or even what such an agenda should look like.

Overall, Kalleberg achieves a meticulous documentation of changes in US employment practices since the 1970s that under other circumstances might have served as a conversation starter in academia and public policy circles. But, since the book’s main topics – the decline of the US middle class and unionism, the polarization of occupational pay structures, the fraying of the social safety net – have already been documented in recent years by others and at a similar level of detail, it is a bit late to that conversation. That said, Kalleberg’s writing is clear and jargon-free, the organization of the book is logical, the evidence presented is a cogent mix of others’ research and original analysis of government datasets and is reported in a manner that is apprehensible to readers lacking a strong statistical background. As such, it is recommended as a text in undergraduate- or masters-level industrial sociology or industrial relations courses that cover changing employment circumstances in the USA. As a work of social criticism, though, it is ultimately more successful at describing problems than offering viable solutions. In that regard, it is like many such works, dating back to Marx and Weber.

Response to Reviewers by Arne L Kalleberg, University of North Carolina at Chapel Hill, USA

In Good Jobs, Bad Jobs: The Rise of Polarized and Precarious Employment Systems in the United States, 1970s to 2000s, I sought to document and explain the changes in job quality in the USA during the past four decades. I claimed that there has been an increase

in inequality in both economic and non-economic job rewards and that work has generally become more precarious for all workers. Moreover, the rise of polarized and precarious employment systems represents a structural transformation that needs to be addressed by putting into action a new social contract. I am grateful to the three reviewers for their thorough summaries and balanced assessments of my main arguments and am pleased to have the opportunity to elaborate on some of their key themes.

I use the term polarization to refer to different kinds of changes. One is change in the relative *size* of workforce categories, such as occupations or types of employment relations. This is the most common usage of the term in recent studies. I also use polarization to denote the increase in *inequality* of job rewards, which I assess by examining changes in their variance. Finally, there is polarity in job rewards obtained by particular *individuals*, produced primarily by differences in their education and skills. These diverse forms of polarization are interrelated and often mutually reinforcing: for example, the growth in size of occupations at both the top and bottom of the occupational hierarchy is part of the reason for the increases in economic inequality.

The evidence I present in *Good Jobs, Bad Jobs* does not uniformly confirm the polarization model. That model is most clearly supported in the case of the occupational structure (where both high and low status jobs have increased in size and middle level jobs have declined), the employment relationship (the rising gap between those who have standard work arrangements and those who do not) and earnings and fringe benefits. The evidence is less consistent with respect to non-economic job rewards, as there seems to be greater dispersion over time for some but not all of the indicators of discretion, participation in decision-making and intrinsic rewards. Unfortunately, the paucity of longitudinal, quantitative data on control over work and intrinsic rewards, as well as some indicators of work intensity, hampers a more rigorous assessment of the polarization model for these non-economic rewards.

On the other hand, I make the case that there has been a general increase rather than polarization in precarious work and job insecurity, though some (e.g. those with less education) are more vulnerable to precarious work than others. Empirical support for this is also admittedly somewhat speculative, owing to the paucity of consistent measures that are available for broad samples since the 1970s.

Despite the diversity of meanings and in some cases limited data, polarization remains a valuable concept for analysing the growing diversity in employment systems and in individuals' work experiences. A flexible conceptualization of polarization is in keeping with the complexity of the socio-economic system in countries such as the USA, which is belied by simplistic descriptions and explanations. I claim in *Good Jobs, Bad Jobs* that there has not been a consistent trend toward a divergence between good and bad jobs (or in the direction of the creation of bad jobs), as even jobs that are otherwise 'good' (e.g. highly paid jobs that provide greater autonomy) have some 'bad' characteristics (e.g. they require people to work hard, often at the expense of maintaining their work-family balance). Nevertheless, the concept of polarization certainly needs more careful specification and systematic analysis: we need to develop conceptualizations that will identify more precisely the various types of polarization; show theoretically how these forms are related to each other; and assess hypotheses about trends in polarization empirically, using both quantitative and qualitative data.

My focus in *Good Jobs, Bad Jobs* was on the rise of polarized and precarious employment systems in the USA, though I contend that the macro-structural forces associated with the spread of the neoliberal revolution transformed employment systems in both the Global North and Global South. This did not occur in a mechanical way so as to produce a convergence in employment systems among countries, however. Rather, the impacts of macro-structural influences on job quality and precarious work were mediated in important ways by national institutions such as welfare regimes and cultural processes. The responses by employers in the USA are representative of Anglo-Saxon, liberal market economies that have relatively weak and not very inclusive labour market institutions to protect workers' interests. I emphasized strategies to rebuild a social contract that were targeted at local and national levels. A more comprehensive strategy that involves global solutions is also necessary, but identifying the contours of this awaits progress within countries and a better understanding of the comparative politics of polarization and precarity.

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Book Review Essay

Good Jobs, Bad Jobs: The Rise of Polarized and Precarious Employment Systems in the United States, 1970s to 2000s

By Arne L. Kalleberg
Russell Sage Foundation. 2011. 292 pages. \$37.50 cloth.

Good Jobs America: Making Work Better for Everyone

By Paul Osterman and Beth Shulman
Russell Sage Foundation. 2011. 181 pages. \$24.95 paper.

Reviewer: Vicki Smith, *University of California, Davis*

As the United States tries to maneuver its way out of the Great Recession, some injurious trends in the organization of employment and employment institutions seem starker than ever. Job quality increasingly is polarized, between a substantial sector of “good” jobs providing anywhere from living to astronomically high wages, benefits, opportunities for advancement and training, and a substantial sector of “bad,” dead-end jobs (about 25% of all jobs, according to Osterman and Shulman) paying minimum or near-minimum wages (creating an unacceptably large population of working poor). Employment precariousness has spread across the occupational and professional spectrum: few employees, even those with good jobs, are exempt from labor market volatility and possible job loss due to layoffs, restructuring, and outsourcing. Unprecedentedly high long-term unemployment rates exacerbate the deleterious effects of both polarization and precariousness. Combined, these trends have put virtually everyone at risk. They threaten the quality of individual, family and community life, and, some would argue, democracy itself. Understanding how to moderate or reverse them is a major challenge for policy makers and policy-oriented researchers.

Good Jobs, Bad Jobs and *Good Jobs America* add to a growing and impressive body of literature about these trends, much of it published by the Russell Sage Foundation (as these two books are) and Cornell University/ILR Press (e.g., Appelbaum, Bernhardt and Murnane 2006; Bivens 2011; Blank, Danziger and Schoeni 2008; Doellgast 2012; Finegold et al. 2010; Holzer et al. 2011). They

paint a comprehensive picture of the interrelated dimensions of economic/occupational change in the last 20 years. Certain core themes weave throughout this literature, such as analysis of the structural forces that have reconfigured work and employment (global competition, financialization of the economy, rise of the service sector, deregulation, technology), changing skill and education requirements, demographic trends that intersect with and create new labor market trends, earnings trends (earnings losses for displaced workers, the increase of poverty level wages, earnings and wealth inequality more generally), the degree to which employment relations have become mediated by the market (outsourcing, greater use of contingent and contracted workers), and the erosion of workers' power (declining unionization). They also concur about the policies that might ameliorate the tenuousness and insecurity faced by American workers located at the epicenter of these changes (job training programs, job creation programs, tax incentives to employers who train their workers and create good jobs, better unemployment and health insurance policies).

Kalleberg (a sociologist), Osterman (a labor economist), and Shulman (a labor lawyer and activist prior to her death in 2010) add immeasurably to this discussion about what's wrong with our economy, viz., jobs and employment, and what might be done to correct it. Their books complement each other beautifully, placing the issue of job quality (measured by earnings, benefits, opportunity and autonomy) at the forefront of an agenda for change. Although their focus differs (Kalleberg defines and measures job quality, using economic and noneconomic indicators, to illuminate good and bad jobs, while Osterman and Shulman focus on bad, below-standard jobs), there is considerable overlap in their agendas. Both books outline the dynamics of jobs and labor markets today and identify unequal outcomes for diverse groups of workers. Both are concerned to expand the number of good jobs, whether through job creation programs that establish high-wage and benefits standards (for example, Kalleberg discusses new public sector jobs that could put people to work rebuilding the nation's infrastructure of roads, schools and parks), or by encouraging employers to change the compensation and work conditions of already existing bad jobs (for example, Osterman and Shulman discuss how low-wage, low-opportunity jobs in health care, manufacturing, construction or retail might be reorganized).

Although the two books diverge in their assessment of polarization and of whether jobs in the middle are disappearing (with Kalleberg adopting the "declining middle" perspective and Osterman and Shulman rejecting it), these authors agree that jobs and employment relations across the board have worsened. Unions' power to influence job quality has declined; institutional protections have eroded (with diminished federal enforcement of labor standards, among other things); many employers adopt "low-road" employment practices (they try to squeeze the most out of labor, by shrinking the number of workers on the payroll, and depressing wages and maximizing effort of workers who remain). Kalleberg, Osterman, and Shulman believe that American employers have options to low-road policies and that, indeed, they can benefit from traveling the high road. Paying workers living wages and guaranteeing mobility

opportunities can elicit their loyalty and willingness to work productively and effectively for their employers. Thus, improving standards will make work better for everyone in Osterman and Shulman's view, one with which Kalleberg solidly concurs.

Good Jobs, Bad Jobs methodically traces the causes and consequences of the polarization of jobs into good and bad, and the rise of precariousness across occupations and professions. Seeing the current era of uncertainty as a moment in an ongoing "double movement" (a concept coined by Polanyi) between flexibility (characterized by the dominance of unregulated markets and the subsequent disruption of social life) and security (characterized by the dominance of government interventions that buffer individuals and families from market dynamics) over the course of industrial capitalism, Kalleberg carefully addresses each facet of polarization and precariousness, analyzing data from a wide variety of sources to answer questions that have been debated vigorously by sociologists and economists. His goal is to weave together many different strands of precariousness and polarization (indeed, they are mutually constitutive, in that developments in one domain often exert pressure on another) that have created a deeply worrisome set of employment relationships.

For example, he marshals evidence showing that jobs are less stable and secure, a trend about which there has been much dispute; that the growth of earnings inequality is integrally connected to the growth of occupational polarization including a hollowing out of middle-range jobs; that the rise of market-mediated forms of employment (temporary and other kinds of nonstandard work) has created a new "inequality of insecurity," leading to different forms and degrees of vulnerability for different populations of workers; and that polarization has exploited and created social inequality (between women and men, people of different race and ethnic groups and citizenship statuses).

Osterman and Shulman reveal the flaws in popular myths about the low-wage labor market and about social mobility in the United States. today. Two are striking: adults' participation in low-wage markets is transient (thus, we shouldn't fuss too much about it as an impediment to long-run social mobility), and they simply need to develop their human capital to ascend from them. Osterman and Shulman argue that the vast majority of people who hold low-wage jobs are stuck there. The jobs are dead-end and offer no opportunity for learning new skills or for vertical mobility. Furthermore, Osterman and Shulman doubt that increasing education or skill levels is sufficient to enable many workers to access "good" jobs. Their goal is straightforward: below-standard jobs must be improved, by paying better wages (not wages that consign people to membership in the working poor), building job ladders that link low-wage positions to better compensated positions at higher levels in and between organizations, and instituting training programs for low-level employees.

Using examples of "green" jobs – the jobs of construction workers who weatherize homes to optimize their energy efficiency – Osterman and Shulman sketch out a model for job transformation. The authors don't deny that doing this on a national scale is daunting. They don't shy away from identifying the missteps that have been taken by government and business in trying to improve

green and other jobs. But for them, this occupational case represents a kernel of hope: it prefigures social change on a much larger scale.

Kalleberg, Osterman, and Shulman have given much thought to how we might achieve these changes. There is much common ground between their two frameworks, particularly in their call for new public policies and governmental intervention. Inspired by the northern European example of “flexicurity,” Kalleberg identifies a three-fold framework to guide government policy, which comprises better income security (retirement safety nets; income protections against layoffs, precarious employment, and illness), representation security (labor revitalization, strengthening of worker voice), and skill-reproduction security (training and educational opportunities that would enable workers to maintain their employability). For Kalleberg, labor, government, and business must work together to create a new social contract, one that would accommodate employers’ needs to adapt to the global economy while minimizing the earnings and other insecurities workers would experience as a result of such structural flexibility.

Osterman and Shulman similarly point to steps that could be taken by the government to improve the standards and conditions of what is now low-wage work. They emphasize, as does Kalleberg, the importance of local and regional efforts to tackle this problem. Partnerships between local officials, progressive community organizations (many of them involving organized labor) and consumers create new strengths and synergies that can be used to pressure employers to change the way they compensate and develop their employees.

I appreciate the optimism of these (and other authors) who have thought long and hard about the challenges of progressively changing the terrain of work and employment. They are deeply knowledgeable and insightful and their policy recommendations for government intervention and regulation are shared by a broad swath of social scientists, policy analysts and public intellectuals. At this point in the 21st century, there is no shortage of morally persuasive, evidence-based ideas about how American employers would profit from taking the high road of employment practices and how, in turn, this could lessen flagrant inequalities, benefiting workers, business and American society as a whole. Will policy makers and business leaders draw inspiration from these rigorous social scientific analyses? Will the pendulum move back to an era of security, as Kalleberg hopes? The challenge for change is to find the collective capacity to implement what to many of us appears to be equitable and productive policy in the surreal, extraordinarily divisive (and unequal) economic/policy world of 21st century America.

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